

## Finance, Audit and Department Matters Committee Meeting

Monday, September 20, 2010  
Room 321, State Office Building  
165 Capitol Avenue, Hartford

### Approved Minutes

Members Present: Mrs. Patricia B. Luke, Chair  
Mr. Allan B. Taylor

Others Present: Ms. Pamela V. Bergin, Assistant to the Commissioner and State Board of Education  
Mr. Levy Gillespie, Equal Employment Opportunity Director  
Mr. Raymond Inzero, Sr., Chief, Office of Internal Audit  
Mr. Mark Linabury, Chief, Choice Office  
Mr. Brian Mahoney, Chief Financial Officer

Members Absent: None

The meeting was called to order at 10:39a.m.

#### I. **Approval of Minutes – May 20, 2010**

A motion was made by Mr. Taylor, seconded by Mrs. Luke, and unanimously adopted to approve the minutes of the Finance, Audit and Department Matters Committee meeting on May 20, 2010.

Vote: Yes: Mrs. Luke, Mr. Taylor  
No: 0  
Abstained: 0  
Absent: 0

#### II. **Finance (Mr. Brian Mahoney)**

##### a) Budget Update

Mr. Mahoney provided Committee members with a handout entitled "Connecticut State Department of Education, Analysis of Position Counts, 2008-09 to Present, in response to an earlier request." The Committee members briefly discussed the position count reductions in central office and the Technical High School System in the context of the Department's priorities.

#### III. **Affirmative Action (Mr. Levy Gillespie)**

##### a) 2009 – 2010 Affirmative Action Plan - Update

Committee members were advised by Mr. Gillespie of the status of the SDE Affirmative Action Plan. The Plan covers the period from March 1, 2009 thru February 28, 2010 and was submitted to CHRO in June 2010 and reviewed by CHRO in September 2010. The Plan has been recommended for disapproval, but Mr. Gillespie's office is working closely with CHRO to address its concerns. No sanctions have been identified as yet in this matter. Mr. Gillespie noted that CHRO is concerned with staffing of the Affirmative Action Office. The office will be

hiring a part-time employee (32 hours) to replace an employee who recently left the office. A summary of issues should be obtained from CHRO in about two weeks. Mrs. Luke requested that Mr. Mahoney be provided a copy of the summary to support personnel requests.

**IV. Office of Internal Audit Agenda Items (Mr. Ray Inzero)**

- a) Charter School Draft Regulations (Mr. Mark Linabury/Mr. Ray Inzero)  
Mr. Linabury and Mr. Inzero provided Committee members with background on the draft regulations. Mr. Taylor recommended certain technical corrections and inquired about similar issues in other states. A brief discussion occurred.
- b) Annual Audit Report – Fiscal Year End 6/30/10  
Mr. Luke inquired about the increasing audit staff time spent on charter and magnet schools. Mr. Inzero explained the nature of the projects involved in this area and time involved.
- c) Internal vs. External Audit Projects and Risks  
Committee members briefly discussed the allocation of OIA staff resources between internal and external audit projects. A discussion occurred of the role of the Auditors of Public Accounts and the coordination of activity with OIA. Mrs. Luke and Mr. Taylor felt that the allocation of staff time to internal vs. external audit projects should be re-examined in developing the next Annual Audit Plan.
- d) Fiscal Year end 6/30/07 and 6/30/08 State Auditors Findings and SDE Responses  
Committee members discussed the State Auditor findings and SDE responses. Mrs. Luke inquired about the status of SDE actions involving guidance to local school districts on developing accurate student enrollment projections for construction projects. Mr. Mahoney and Mr. Inzero noted that the process has been improved to avoid future audit findings. Final written procedures are being completed. Mr. Taylor asked about progress to address the continuing CTHSS internal control issues. Mr. Inzero and Mr. Mahoney stated that while progress has been made, recent budget cuts could impact the extent of the progress. Continued monitoring is important. Equipment inventory and computer usage findings were briefly discussed by Committee members who expressed concern over the continuing issues with equipment control.
- e) ARRA Funds – Audit and Accountability Project Status  
Mr. Inzero briefly updated the Committee of the involvement of OIA in monitoring of ARRA funds. This includes monitoring of SFSF, Title I and IDEA in coordination with the respective program offices.
- f) Single Audit and Agreed-Upon Procedures (ED001)  
Mr. Inzero updated the Committee regarding the Single Audit procedures and (ED001) audit and that the information had gone out and is posted on the Department's website.
- g) CTHSS Audit Activity  
Mr. Inzero discussed several recent issues involving the CTHSS including the administrator flex-time and serious building maintenance issues. The Superintendent is addressing these issues. Mr. Taylor and Mrs. Luke requested that the Superintendent be advised to notify the appropriate CTHSS Committee members. OIA will conduct an implementation review of Grasso Technical High School.

**V. Other Matters**

Committee members were advised that OIA was asked to look into the Child Nutrition Program in New London. OIA will be reviewing contracts vs. grants and possibly financial issues involving special education in Hartford.

At 12:14p.m. the meeting was adjourned by unanimous consent.

Recorded by Patricia Johnson, Secretary, Office of Internal Audit